## ATTACHMENT N

TRIAL EXHIBIT #164



484 El Camino Real • Redwood City, CA 94062

Tel: (650) 363-1404 • Fax: (650) 363-1408

## FACSIMILE TRANSMISSION

Date: October 26, 1998

Company: Magnopromet

To: Mr. Jovanovski

Fax #: 011-389-91-164-145

From: Naum Morgovsky

Pages (including cover): 4

Dear Mr. Jovanovski,

I would like to explain the situation regarding Pantera scopes as it is right now.

Being  $2^{nd}$  gen. scope, Pantera is severally restricted for export. It is very risky for us to export a sizeable quantity of these scopes, especially if the value of the shipment is so high and therefore it may bring much attention.

Unfortunately, Pantera is no longer manufactured, and we are now selling the remaining quantities. When Dmitry quoted these scopes to you, he did not realize that the remaining quantities were low and that it would be risky to export these scopes in sizeable quantity, especially with so high value.

As I previously explained to you, we have these scopes available with illuminated reticle and with etched black reticle. Though more attractive to non-professionals with the illuminated reticle, it has been better accepted by professionals with black etched reticle that has much more suitable configuration, is much more reliable, and can't damage (burn the imprint on) the intensifier tube if the scope is left "on".

After speaking with you today, I was told by my engineers that out of approximately 50 pieces of the scopes with illuminated reticle, approximately 25-30 are not in a good condition and, though we can try to repair them, can't be properly repaired because of lack of spare parts that are no longer made. We have approximately 80 pieces of these scopes with etched black reticle

that were intended for more professional use with 3rd gen. intensifier tubes. Many of these scopes of both types are still unassembled.

I strongly recommend that, if you decide to purchase these scopes, you purchase only the ones with etched black reticles, which will have fewer problems and have more acceptable reticle configuration. Additionally, all 60 of them will be the same. If you decide to purchase a combination of both, I will be able to guarantee the proper functionality of only 20-25 scopes with illuminated reticle, and, though I can ship approximately 50 of them, many of them, in my opinion, will not be acceptable based on our latest inspection.

It will be completely safe to ship the parts to Russia, assemble them there, and ship them to you from Russia. Though it will take a few extra days, there will be no additional cost. The shipment from Russia can be made on our behalf, and we can send the invoice to you separately for that shipment.

If it is not acceptable to you, we will have to send one person to assemble these scopes in your country. We would ship them unassembled and it will take one person several days to assemble them. It can be done in a hotel room. It would add approximately \$6,000 to the cost. Please remember, if we ship the units through Russia, there will be no additional cost.

If the shipment through Russia is acceptable to you, we can ship the units to Russia tomorrow.

Two proforma invoices covering the shipment are attached. Please note, the invoice covers the shipment through Russia.

The wiring instructions are as follows:

Intermediary Bank:

Commercial Bank of San

Francisco

333 Pine Street

San Francisco, California 94104

ABA Routing No.:

121034308

SWIFT:

CBSF US 6S

Beneficiary Bank:

Sovereign Allied Bank

Account No .:

1744802

For further credit to beneficiary: INFRATECH

Beneficiary'S Account No.: 011467024

I look forward to hearing from you.

Sincerely, Naum Morgovsky



## **Proforma Invoice**

484 El Camino Real Redwood City, CA 94063 (415) 363-1404 • Fax (415) 363-0470

To:

Ship To:

Same

MAGNOPROMET

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
60	Pantera night vision weapon sight	1595.00	95700.00
	·		
	·		
		SUBTOTAL	95700.00
SALES TAX		0.00	
SHIPPING, HANDLING, AND INSURANCE		4250.00	
TOTAL DUE			99950.00

THANK YOU FOR YOUR BUSINESS!



## **Proforma Invoice**

484 El Camino Real Redwood City, CA 94063 (415) 363-1404 • Fax (415) 363-0470

To:

MAGNOPROMET

Ship To:

Same

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
60	Pantera night vision weapon sight	5595.00	335700.00
SUBTOTAL		335700.00	
SALES TAX		0.00	
SHIPPING, HANDLING, AND INSURANCE		4250.00	
TOTAL DUE		339950.00	

THANK YOU FOR YOUR BUSINESS!